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According to the agricultural census of 1930, the number of farms in Lithuania and their areas are as stated in Table 7.

TABLE 7

CENSUS OF FARMS

FARM SIZE (*Acres*)	NUMBER OF FARMS	COMBINED AREA (*Acres*)
2.5– 12.5	53,463	380,722
12.5– 25.0	78,237	1,440,338
25.0– 37.5	59,572	1,788,349
37.5– 50.0	33,236	1,408,275
50.0– 75.0	34,197	2,042,511
75.0–125.0	20,597	1,885,111
125.0–250.0 and over	8,078	1,725,742
TOTAL	287,380	10,671,048

Through the land reform, over 45,000 new farms have been established and over 200,000 persons (including new settlers and their families) have been provided with regular occupation and permanent homes. This undoubtedly has brought beneficial results to the social and economic life of the country.[15] Moreover, the land reform has undoubtedly been a means of substantially raising the country's productivity, to the benefit of both the state and the individual farmer.

When Soviet Russia occupied Lithuania on June 15, 1940, a still more radical "land reform" was proclaimed by the Soviet-appointed puppet government. All land was proclaimed state property. Consequently, the farmer-owners suddenly became only managers of government property and, therefore, could not sell, exchange, or give away their

[15] Kriksciunas, *op. cit.*, p. 34; Elbergas, *op. cit.*, pp. 64–68.

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423 land. Seventy-four acres (30 hectares) was the maximum
● 471 allowed each family to manage.
656 Several thousand formerly landless farmers who obtained a few acres through this Soviet "land reform" and whose popular support the Soviet government was seeking found themselves unable to till the allotted land because they had no tools, seed, or livestock and could not secure any aid from the government. The Soviet policy was to force them all into so-called "collective farms" (kolkhoz).

The majority of the farms of 80 hectares (198 acres) or over were not distributed at all but converted into government farms (sovkhoz) controlled through commissars.

Those who were allowed to keep 30 hectares (74 acres) were called "kulaks," and such high taxes were imposed upon them that they were forced to join the government-fostered collective farms.

241 As indicated by Table 7, before the Soviet Russian oc-
423 cupation there were 287,380 separate farms in Lithuania,
656 ranging in area from 2.5 to 250 acres. These farms, on the basis of productive capacity, were classified into three groups.

The first group was comprised of the self-sufficient farms, ranging in acreage from 2.50 to 30 acres. Farmers in this group raised sufficient grain to maintain their families and kept one or two horses for work, one to four milk cows, and some poultry; thus they themselves produced most of their food. They had little to sell and bought little from the town. At the end of 1939, about 160,000 farms or 56 percent of all farms of Lithuania were in this group.

The second group was comprised of farms of between 30 and 70 acres which produced substantial quantities of agricultural products for the market. Although the farming system of this group was similar to that of the first one to the

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uania: before the 1940 occupation it handled almost the entire grain export.[20]

Lietukis, which comprised 145 coöperative societies in its membership in 1939, maintained 16 branch establishments in Lithuania, in addition to its central establishment in Kaunas. It operated in 1939 three grain elevators, one of 3,000 metric tons' capacity in Klaipeda (Memel), another of 3,250 metric tons' capacity in Siauliai, and a third of 2,250 tons' capacity in Kaunas. Furthermore, it possessed a central flax warehouse at Siauliai and 18 grain warehouses at various other places.[21]

Lietukis handles the largest percentage in the total turnover of many commodities of Lithuania: import of fertilizers, 100 percent; salt import, 92.9; import of agricultural machinery, 80; cement import, 42; import of petroleum products, 40; import of herring, 10; iron import, 5; export of grain, 85; export of flax, 27; sale of sugar, 89.[22]

The growth and expansion of business of coöperative stores, Lietukis, and other coöperative societies in the last eleven years before the second world war is indicated by Table 9.[23]

Furthermore, it is worthy of mention that in 1926 Lietukis[1] acquired 45 percent of the capital stock of the Maistas Corporation, whose principal business is the keeping of stockyards in which livestock is prepared for export. With the acquisition of this stock interest Lietukis indirectly entered the export trade in meat and live animals. Lietukis was also

[20] Kriksciunas, *op. cit.*, p. 141.

[21] *Lietukis, Lietuvos Zemes Ukio Kooperatyvu Sajunga* (Lietukis, the Central Union of Agricultural Coöperative Societies), Kaunas, 1934.

[22] *Report of the Chamber of Commerce, Industry and Crafts*, Kaunas, 1938, p. 113. Referred to hereafter as *Report*.

[23] *Ibid.*, p. 112.

[1] [i.e: The Central Union of Agricultural Coöperative Societies -- Analyst]

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TABLE 9

474

SALES OF THE COÖPERATIVE SOCIETIES

(In Thousands of Litas)

YEAR	LIETUKIS	TRADE COÖPERATIVES	PIENOCENTRAS [a]	TOTAL
1928	12,129	23,520	13,662	49,311
1929	29,393	52,255	25,999	108,647
1930	23,117	44,992	43,854	111,963
1931	36,743	44,950	46,102	127,795
1932	28,853	37,314	45,182	111,349
1933	32,063	37,534	36,163	105,760
1934	32,617	37,342	36,329	111,288
1935	60,530	46,427	42,438	149,395
1936	73,715	55,560	55,897	185,172
1937	72,360	65,046	65,730	205,599
1938	113,909	95,165	76,920	283,884
1939	138,911	114,285	67,745	320,941

[a] Reference on Pienocentras is given in Section 3 below, on production cooperative societies.

[47] the initiator of coöperative dairies and creameries, which later developed into a separate Central Union of Dairy Cooperative Societies of Lithuania, the Pienocentras.

[647] After Soviet Russian occupation Lietukis[1] was made a government agency with all its branches and continued to function until the German invasion. The Germans in turn took control of Lietukis with all its property, and the German Economic Command (Wirtschaftskommando) issued an order on August 23, 1941, to all the branches of Lietukis, as well as to the agricultural and consumers' coöperative societies, to submit reports on fabrics and other merchandise in its possession and at the same time forbade selling any of the merchandise. It would appear that all the merchandise was confiscated by the Germans.

1 [i.e. The Central Union of Agricultural Coöperative Societies --- Analyst]

3: Simutis S-4 (no date) 1942 RB5 Lithuanians RB5

With the Sovietization of Lithuania by Russia all those corporations were nationalized in August, 1940, and made government establishments. On August 7, 1940, an order was published requesting even the surrender of the shares of capital stock and bonds of private corporations or government.[5] No due compensation was promised.

When Russian occupation was substituted by German in June, 1941, the system of private ownership was returned in Lithuania, except private, corporate, or coöperative wealth, which apparently is kept for distribution to German nationals or at least to German sympathizers.

THE TEXTILE INDUSTRY

The textile industry showed a spectacular rise between 1927 and 1940. But even before this period it had shown considerable advance. It is estimated that in the years 1909 to 1913 this industry in Lithuania employed about 300 workers.[6] In 1927 the number of workers had grown to 1,403, almost five times as many as before the World War, while in 1939 the industry was employing 7,561 workers.

It is interesting to note that in spite of increasing textile production at home, imports did not decrease proportionately. This may be accounted for partly by the fact that rising living standards increased the demand to such an extent that even the increased production was not sufficient to satisfy it without the aid of proportionately high imports. Lithuania does not export any textile fabrics.

The expanding textile industry modifies the type of textile

[5] *Darbo Lietuva* No. 50, Aug. 13, 1940. (*Darbo Lietuva* [Worker's Lithuania] was a Bolshevik daily in Kaunas, established after the occupation.)

[6] L.G.S.A., 1937, p. 405.

3: Simutis S-4 (no date) 1942 RB5 Lithuanians RB5

pation. In 1938, Maistas sales to foreign countries rose to 57.85 million litas, while in 1939 it rose to 71.7 million litas, or 24 percent above the 1938 figures.

Even in domestic business Maistas showed an impressive rise. Its domestic sales amounted in 1930 to 5.8 million litas and rose every subsequent year until in 1938 they reached 14.9 million litas and in 1939, 18.8 million litas.

The sugar industry, which also shows considerable advance, started with one refinery in 1932, employing 67 persons, and in 1939 had two refineries with 246 workers, not counting the many farmers who were engaged in sugar-beet growing and whose incomes were increased through the introduction and development of this branch of agriculture. Inasmuch as the two refineries were insufficient to meet the demands of Lithuania, a third refinery was constructed. All three are owned by the Lietuvos Cukrus Corporation, in which the government participates as owner of a controlling number of shares of capital stock. The first refinery was opened in 1932 in Marijampole and the second in 1935 in Panevezys. The production rose very rapidly: in 1932, 67,000 quintals; 1933, 162,000 quintals; 1934, 82,000 quintals; 1935, 153,000 quintals; 1936, 221,000 quintals; 1937, 272,000 quintals; in 1938, 287,000 quintals [9] and 1939, 208,000 quintals.

Another industry in the food-and-luxury category which showed great expansion both in number of establishments and in workers employed is that of dairying, which is covered in the section on coöperatives, above.

Other industries, such as grain mills with 761 workers, candy and chocolate factories with 761 workers, and tobacco

[9] C.S.B., 1938, p. 160.

				473
1931	69	89 794	32 433	
1932	76	90 874	32 547	
1933	84	98 675	34 733	
1934	83	105 979	43 274	
1935	84	105 465	45 207	
1936	85	107 372	44 881	
1937	88	110 883	47 969	

On the strength of these data we may conclude that the financing of industry in the form of share-capital concurrently with the development of wholesale manufacture in Lithuania is constantly growing; it amounts to approximately a third of all capital invested in industry. The number of industrial concerns, which are organized as joint-stock companies, has risen by 57.1% during ten years, from 1928 to 1937, and the total amount of the share-capital by 60.6% in the same period.

The share of foreign capital amounts to 43.3% and is 471 ●
chiefly invested in electricity works, the paper industry, and the chemical industry. The largest portion thereof, i. e. 18 200 000 litas or 35% pertains to-day to Belgium; 12 100 000 litas or 23% to Germany; 6 200 000 litas or 11% to Sweden; and 5 500 000 or 10% to Holland.

Approximately 15 000 000 litas represents the investments 652
of the Lithuanian Government, of which the sum of 7 000 000 litas pertains to the „Maistas" Company and 2 700 000 litas to „Lietuvos Cukrus".

The share of Lithuanian private capital in the total share- 454
capital invested in industry amounts therefore to 45%.

The distribution of industrial joint-stock companies accord- 473
ing to individual branches and its development during recent years may be seen from Table No. 2.

Thus in 1937 the relatively largest part of the total share-capital pertained to the foodstuffs and luxury goods industry, which possessed 21 undertakings with 27 900 000 litas capital. Among these were 4 mills, 3 chocolate factories, 1 company for sugar production („Lietuvos Cukrus"), 2 undertakings of the meat industry, 3 spirit distilleries, and 4 beer breweries. The number of undertakings has been stationary since 1933; also the capital during the last five years shows only small fluctuations, but in comparison with 1928 it has risen by 66%.

3. Share-capital in Lithuanian Trade

The rôle of joint-stock companies in the total figure of our wholesale commercial undertakings is relatively unimportant. In 1937 there were in Lithuania only 32 joint-stock companies, which were engaged in merchandise trade, in a narrower sense, with a total capital of 8 900 000 litas; and three companies engaged in the warehousing and forwarding business with a share-capital of 300 000 litas. Only a few companies among these have a share-capital of more than a million litas, while for half of all the companies the capital amounts to less than 200 000 litas. The development since 1928 is clear from the following table:

Year	No. of Companies	Share-capital in 1 000 litas	Year	No. of Companies	Share-capital in 1 000 litas
1928	14	3 211	1933	32	9 485
1929	19	5 725	1934	32	8 640
1930	22	7 100	1935	31	9 057
1931	28	9 400	1936	30	8 232
1932	32	9 759	1937	32	8 907

We see from the foregoing that the number of commercial undertakings organized as joint-stock companies has remained stationary since 1932, and that the total amount of their capital since then has decreased by 9%.

The development of the participation of foreign capital in our commercial organizations shows, just as the reduction of foreign indebtedness described in another chapter, the progressive emancipation of our economy from alien influence and its financial strengthening. The share of foreign capital has fallen from 24.5% in 1931 to 6.1% in 1937. The following figures illustrate the course of this development:

	1931	1932	1933	1934	1935	1936	1937
Foreign Capital in Lithuanian Joint-stock Companies, in 1 000 Litas	2 310	2 305	1 870	1 747	920	260	544

In the above quoted total figure of commercial joint-stock companies our most important commercial organization is not

12: Amer. Russ. Inst. (no date) 1950 RBS Lithuania RBS

C O N S T I T U T I O N

(Fundamental Law)

of the

LITHUANIAN

SOVIET SOCIALIST

REPUBLIC

of August 25, 1940

As amended through April 7, 1948

Chapter I. The Social Structure

642 Art. 1. The Lithuanian Soviet Socialist Republic is a socialist state of workers and peasants.

Art. 2. The political foundation of the Lithuanian SSR is the Soviets of Working People's Deputies, firmly established as a result of the overthrow of the power of the landlords and the capitalists and the establishment of the dictatorship of the proletariat.

Art. 3. All power in the Lithuanian SSR belongs to the working people of town and country as represented by the Soviets of Working People's Deputies.

471 Art. 4. The economic foundation of the Lithuanian SSR is the socialist system of economy and the socialist ownership of the instruments and means of production, firmly established as the result of the liquidation of the capitalist system of economy, the abolition of private ownership of the instruments and means of production in large industrial enterprises, and the nationalization of such enterprises, banks, transport and means of communication with a view to the complete abolition of the exploitation of man by man and the construction of a socialist system of society.

421 Art. 5. Socialist property in the Lithuanian SSR exists either in the form of state property (belonging to the whole people) or in the form of co-operative property.

Art. 6. The land, its mineral wealth, waters, forests, mills, factories, mines, rail, water and air transport, banks, communications, large state-organized agricultural enterprises (state farms, machine and tractor stations and the like), as well as municipal enterprises and large dwelling houses in the cities and industrial localities, are state property, that is, belong to the whole people.

474 Art. 7. The common enterprises of co-operative organizations, with their
421 livestock and implements, the products of co-operative organizations, as well as their common buildings, constitute the common, socialist property of the co-operative organizations.

12: Amer. Russ. Inst. (no date) 1950 RB5 Lithuania RB5

[Lithuanian Constitution as of April 7, 1948]

472 Art. 8. Alongside the socialist system of economy in the Lithuanian SSR the law permits the small private economy of individual peasants, artisans and handicraftsmen and small private industrial and trading enterprises.

423 Art. 9. The land occupied by peasant holdings as provided by law is secured for their use free of charge and for an unlimited time.

421 Art. 10. The personal property right of citizens in their incomes and savings from work, in their dwelling houses and subsidiary home enterprises, in articles of domestic economy and use and articles of personal use and convenience, as well as the right of citizens to inherit personal property, is protected by law.

471 185 Art. 11. The economic life of the Lithuanian SSR is determined and directed by the state national-economic plan, with the aim of increasing the public wealth, of steadily raising the material and cultural standards of the working people, of consolidating the independence of the USSR and strengthening its defensive capacity.

461 Art. 12. Work in the Lithuanian SSR is a duty and a matter of honour for every able-bodied citizen, in accordance with the principle: "He who does not work, neither shall he eat."

The principle applied in the Lithuanian SSR is that of socialism: "From each according to his ability, to each according to his work."

Chapter II. The State Structure

642 Art. 13. For the purpose of mutual assistance among the Union Republics along economic and political lines, as well as along the line of defence, the Lithuanian SSR voluntarily united with the other equal Soviet Socialist Republics, namely:

The Russian Soviet Federative Socialist Republic,
The Ukrainian Soviet Socialist Republic,
The Byelorussian Soviet Socialist Republic,
The Uzbek Soviet Socialist Republic,
The Georgian Soviet Socialist Republic,
The Azerbaijan Soviet Socialist Republic,
The Estonian Soviet Socialist Republic,
The Kazakh Soviet Socialist Republic,
The Latvian Soviet Socialist Republic,
The Kirghiz Soviet Socialist Republic,
The Tajik Soviet Socialist Republic,
The Armenian Soviet Socialist Republic,
The Turkmen Soviet Socialist Republic,
The Moldavian Soviet Socialist Republic and
The Karelo-Finnish Soviet Socialist Republic

in a federal state, the Union of Soviet Socialist Republics.

Proceeding from the aforesaid, the Lithuanian SSR ensures to the USSR, as represented by its higher organs of state power and organs of state administration, the rights defined in Art. 14 of the Constitution of the USSR.

Outside of the spheres set forth in Art. 14 of the Constitution of the USSR, the Lithuanian SSR exercises state authority independently, retaining its sovereign rights in full.